

In the Office Action, the Examiner noted numerous deficiencies in the specification and requested that new specification papers be filed. A substitute specification accompanies this Amendment which is believed to address all of the issues raised by the Examiner. While the revisions have been substantial, applicants believe that no new matter has been added to the specification. Substitute drawings, relabeling the figures and the individual elements pursuant to the Examiner's request, are also enclosed.

In the Office Action, Claims 3-13 and 16-20 were rejected under 35 USC 103. Claims 3-7 were also rejected under 35 USC 101, and Claims 13 and 19 were rejected under 35 USC 112.

The Examiner has indicated that Claims 14 and 15 contain allowable subject matter, and that Claim 14 would be allowable if rewritten in independent form. Accordingly, by the above Amendment, Claims 3-13 and 16-20 have been cancelled without prejudice to further prosecution, and Claim 14 has been amended to include the limitations of both Claims 8 and 12, from which it depends. Accordingly, it is believed that Claims 14 and 15 are now in proper condition for allowance.

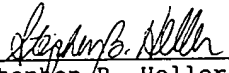
By the Amendment, applicant also adds Claims 21-28. Claim 21 is similar to Claim 14, as amended, except that the criteria for selection of the securities of the portfolio is not limited to the risk/return performance in step a), but includes other criteria. In all other respects, it is identical to amended Claim 14, and is believed to be allowable for the same reasons as Claim 14. Claims

22-28 add further limitations to Claim 21, and are also believed to be allowable for at least the same reason as Claim 21.

In order to comply with the duty of disclosure, applicant is also submitting separately a declaration of Kenneth Kiron, one of the inventors for this application, relative to activities occurring more than one year prior to the filing date of this application.

It is now believed that this application is in proper condition for allowance. Accordingly, reexamination and allowance is earnestly requested.

Respectfully submitted,



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